

OFFICE OF INSURANCE, AIK COMP ENTER INTO REHABILITATION AGREEMENT
KOI now overseeing day-to-day operations

FRANKFORT, Ky. (Aug. 5, 2004) - The Kentucky Office of Insurance (KOI) announced today that AIK Comp has consented to a rehabilitation agreement allowing KOI to oversee the day-to-day operations of the workers' compensation group self-insurance fund. Franklin Circuit Court Judge William Graham signed the petition this morning.

On Tuesday, Governor Ernie Fletcher signed an executive order transferring regulatory authority of the workers' compensation group self-insurers, including AIK Comp, from the Office of Workers' Claims to the KOI. AIK Comp had asked the state in late June for permission to assess its members as much as \$49 million to cover a shortfall of at least \$40 million.

As part of the rehabilitation effort, Ernest Dry and Joseph Pope, financial examiners on contract with KOI, have been named special deputy rehabilitators by Martin Koettters, KOI executive director.

"We are fortunate to have special deputy rehabilitators with the experience Ernie and Joe bring to the table. They are committed to our central concern – protecting injured Kentucky workers," said Koettters.

Koettters said Dry and Pope are at the AIK Comp office today, meeting with employees and dealing with immediate administrative issues.

The Office of Insurance is an agency of the Environmental and Public Protection Cabinet.